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Top Secret



DIRECTORATE OF
INTELLIGENCE

MEMORANDUM

The Situation in Vietnam

Top Secret

114

3 July 1967

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Information as of 1600
3 July 1967

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HIGHLIGHTS

US Marines suffered heavy casualties in a fierce battle with an estimate multibattalion-size enemy force just south of the Demilitarized Zone near Con Thien on 2 July.

I. The Military Situation in South Vietnam:

There were 255 US Marine casualties in a large battle near Con Thien on 2 July (Paras. 1-4). New Communist forces are infiltrating from Laos into Quang Nam Province via the A Shau Valley (Paras. 5-7).

II. Political Developments in South Vietnam:

Sixty-four senatorial slates were submitted to the Provisional National Assembly before the filing deadline at midnight on 30 June (Paras. 1-2). The Provisional National Assembly has set the minimum membership of the lower house at 117 (Para. 3).

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IV. Other Communist Military Developments:

There is nothing of significance to report.

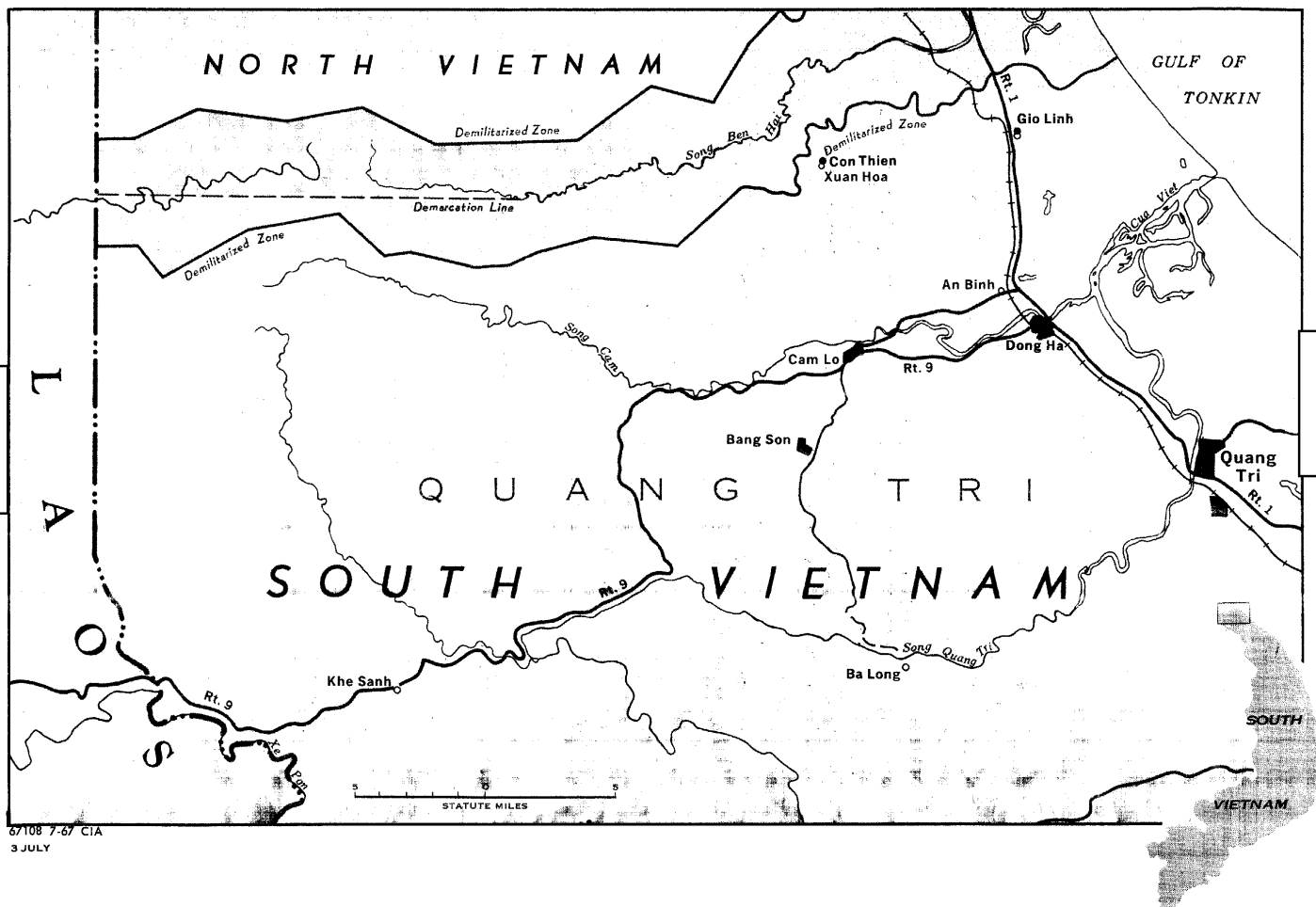
V. Communist Political Developments:

A number of DRV diplomats have been returning to Hanoi (Para. 1).

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Hungarian youth groups have sent limited economic and military assistance to the DRV (Paras. 5-8).

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I. THE MILITARY SITUATION IN SOUTH VIETNAM

1. Elements of a US Marine battalion encountered a large Communist force near the US Marine garrison at Con Thien on 2 July. The estimated multibattalion-size enemy force--identified as elements of the 90th Regiment of the North Vietnamese Army (NVA) 324B Division--was originally discovered occupying fortified positions near the DMZ about one mile northeast of Con Thien. As the battle grew in intensity, Marine reinforcements supported by heavy air and artillery strikes were committed. The enemy forces used artillery, rocket, and mortar fire against US and South Vietnamese field positions throughout the area.

2. Incomplete casualty reports indicate American losses of 58 killed, 170 wounded, and 27 missing. The missing Americans are almost entirely from one company which may have been overrun by a NVA assault. [REDACTED]

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Enemy

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losses reported thus far are 83 killed.

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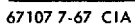
[REDACTED] Since a massive allied sweep into the southern half of the DMZ ended in late May, enemy troops have reconstructed and reoccupied bunker and tunnel complexes throughout the area immediately south of the DMZ in northeastern Quang Tri Province.

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4. In the wake of the heavy fighting near Con Thien, Communist troops launched another large-scale mortar and rocket attack against US positions at Gio Linh and Dong Ha on 2-3 July. An estimated 120 rounds of 140-mm. rocket fire struck the US Marine airfield at Dong Ha. Four Americans were wounded and damage to a radar site forced a temporary suspension of operations.

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Possible Enemy Build-up In Quang Nam Province

5. New enemy units are infiltrating from Laos into South Vietnam's Quang Nam Province via the A Shau Valley, [REDACTED]

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6. [REDACTED] elements of an enemy division have moved into a mountainous area some 20 miles west of Da Nang and are preparing for offensive operations. [REDACTED]

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[REDACTED] disclosed seven newly constructed fortified areas which included foxholes, bunkers, and antiaircraft weapons positions. [REDACTED]

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[REDACTED] revealed that the Communists were improving the road in the A Shau Valley and extending it toward the south.

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II. POLITICAL DEVELOPMENTS IN SOUTH VIETNAM

1. Sixty-four senatorial slates, including 640 candidates and 81 alternates, had been submitted to the Provisional National Assembly by the filing date of midnight 30 June. The central election council set up to oversee the senate elections will begin examining dossiers of the candidates on 8 July. It is possible that several of the lists will be withdrawn or will be eliminated after review by the election council.

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Lower House Membership Set

3. At its session on 29 June the Provisional National Assembly fixed the minimum membership of the lower house at 117 deputies; the registered voter figure for the 1966 assembly elections was used as a base. As in the 1966 elections each province and autonomous city will constitute a single constituency, with the exceptions of Saigon, which will be divided into three electoral districts, and Gia Dinh Province, which will have two. Some districts will have more than one seat, depending on their population, and any constituency in which the number of registered voters has increased by more than 25,000 since the 1966 elections will have an additional seat.

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IV. OTHER COMMUNIST MILITARY DEVELOPMENTS

1. There is nothing of significance to report.

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V. COMMUNIST POLITICAL DEVELOPMENTS

1. In recent days, a number of North Vietnamese diplomats stationed throughout Southeast Asia and one in Europe have been reported returning to Hanoi. These

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Several times in recent years, DRV diplomats have been recalled to Hanoi for consultations and instructions. The most recent instance of this occurred during January-March 1966. If another general review of foreign policy is about to begin in Hanoi, travel by other DRV diplomats should be noted soon.

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Hungarian Youth Congress Promises More Aid to North Vietnam

5. Hungarian youth organizations have collected 28 million forints (about \$2.3 million at the commercial rate of exchange) for aid to Vietnamese Communists, according to the first secretary of the Hungarian Communist Youth League (KISZ). Addressing the 7th youth congress in Budapest on 29 June, the KISZ chairman said that 21.5 million forints (approximately \$1.8 million) had already been spent for "combat equipment, blood plasma, equipment for a 300-bed hospital, medicines, and bandages." The congress approved the dispatch of additional weapons and medicines worth two million forints (c. \$160,000).

6. The money has been collected through so-called "Vietnam shifts" in factories and other enterprises, whereby the workers pledge their entire shift pay for aid to Vietnam. The practice is relatively unpopular among most employees, particularly in view of the rising cost of living.

7. Last fall the Hungarian regime publicly acknowledged a pledge to send arms to North Vietnam, and during a recent visit to the DRV, Hungarian Defense Minister Czinege lauded the work of a North Vietnamese antiaircraft battery, whose weapons were provided by Hungary. Hungarian military aid to North Vietnam has been minimal and economic aid has been little more than token.

8. Aside from exhibiting solidarity with Hanoi, Hungary's continuing aid commitments are probably designed to underline the Kadar regime's consistent

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support of the Soviet position on Vietnam. Following on the heels of Czinege's visit to Hanoi, the announcement of new military and medical aid suggests that the Hungarians foresee no early end to the war.

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